

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

YELENA BELOUS  
832 Barlow Street  
Philadelphia, PA 19116-2532,

Plaintiff,

vs.

CREDIT COLLECTION SERVICES  
Two Wells Avenue  
Newton, MA 02459,

Defendant.

CIVIL ACTION NO.

**COMPLAINT**

**I. INTRODUCTION**

1. This is an action for damages brought by a consumer pursuant to the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 ("FDCPA").

2. The FDCPA prohibits debt collectors from engaging in deceptive and unfair practices in the collection of a consumer debt.

3. Defendant is subject to strict liability for sending a collection letter which violates the provisions of the FDCPA.

**II. JURISDICTION**

4. Jurisdiction arises under 15 U.S.C. § 1692k and 28 U.S.C. § 1337.

### **III. PARTIES**

5. Plaintiff Yelena Belous ("Yelena") is a consumer who resides in Philadelphia, Pennsylvania at the address captioned.

6. Defendant Credit Collection Services ("Defendant" or "CCS") is believed to be a Massachusetts corporation with a place of business in Newton, Massachusetts and a mailing address as captioned.

7. CCS regularly engages in the collection of consumer debts in the Eastern District of Pennsylvania using the mails and telephone.

8. CCS regularly attempts to collect consumer debts alleged to be due another.

9. CCS is a "debt collector" as that term is contemplated in the FDCPA, 15 U.S.C. § 1692a(6).

### **IV. STATEMENT OF CLAIM**

10. On January 18, 2010, Defendant CCS sent Plaintiff Yelena Belous a collection notice seeking to collect a consumer debt alleged due. A copy of the January 18, 2010 collection notice is attached hereto as Exhibit "A" (redacted for privacy, per Fed. R. Civ. Pro. 5.2).

11. The January 18, 2010 collection notice represents the balance due consists of:

Principal Balance	:\$	3,937.10
Interest:	:\$	.00
Accrued Interest	:\$	1.51
Collection Charges	:\$	0.00
Other Charges	:\$	0.00
AMOUNT DUE	:	\$3,938.61

(Ex. "A").

12. Defendant's statement in its January 18, 2010 letter to Yelena that the balance consists of \$3,937.10 in principal and \$.00 in interest is deceptive and misleading.

13. The principal amount claimed in the January 18, 2010 letter is inaccurate and misleading. What Defendant labels as “principal” includes already accumulated interest and fees incurred on the underlying debt.

14. The term “principal”, as it is commonly understood, does not include interest and fees assessed on the amount borrowed.

15. Listing “Interest” as “.00” is similarly inaccurate and misleading because it understates the interest claimed and overstates the amounts that Defendant lumps under the rubric “Principal Balance”.

16. Defendant’s letter goes on to list what Defendant calls “Accrued Interest”. The statement of “Accrued Interest” is misleading because it omits interest accrued since default or earlier, instead lumping such historical interest as “principal”.

17. The FDCPA prohibits debt collectors from using false, deceptive or misleading means in an attempt to collect a debt alleged due, including misrepresenting the character, status, or amount of the alleged debt. 15 U.S.C. § 1692e and § 1692e(2).

18. Misrepresentation of interest and fees as “principal” is deceptive and has practical implications, including potential income tax ramifications. Pursuant to 26 C.F.R. 1.6050P, under certain circumstances forgiven principal debt may constitute taxable income, whereas “interest” is not includable in debt forgiveness income.

**COUNT I - FAIR DEBT COLLECTION PRACTICES ACT**

19. Plaintiff repeats the allegations contained above as if the same were here set forth at length.

20. Defendant CCS violated the Fair Debt Collection Practices Act by using false, deceptive or misleading statements in the collection of a consumer debt, in violation of 15 U.S.C. § 1692e and § 1692e(2).

**WHEREFORE**, Plaintiff Yelena Belous demands judgment against Defendant Credit Collection Services for:

- (a) Damages;
- (b) Attorney's fees and costs;
- (c) Such other and further relief as the Court shall deem just and proper.

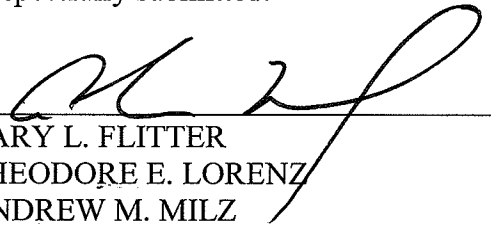
**V. DEMAND FOR JURY TRIAL**

Plaintiff demands a trial by jury as to all issues so triable.

Date:

12/3/10

Respectfully submitted:

  
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